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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re:  
  
PG&E CORPORATION  
  
- and -  
  
PACIFIC GAS AND ELECTRIC  
COMPANY,  
  
Debtors.

<input type="checkbox"/>	Affects PG&E Corporation
<input type="checkbox"/>	Affects Pacific Gas and Electric Company
<input checked="" type="checkbox"/>	Affects both Debtors

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

Date: October 23, 2019  
Time: 10:00 a.m. (Pacific Time)  
Place: 450 Golden Gate Avenue  
16th Floor  
San Francisco, CA 94102  
Judge: Honorable Dennis Montali

**LIMITED OBJECTION OF CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY  
SERVICES AND CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS TO  
DEBTORS' SUBROGATION SETTLEMENT AND RSA MOTION [DOCKET NO. 3992]**

1 The California Governor's Office of Emergency Services ("Cal OES") and California  
2 Department of Veterans Affairs ("CalVet") hereby file this limited objection and reservation of  
3 rights with respect to the *Debtors' Motion Pursuant to 11 U.S.C. §§ 363(b) and 105(a) and*  
4 *Fed. R. Bankr. P. 6004 and 9019 for Entry of an Order (I) Authorizing the Debtors to Enter into*  
5 *Restructuring Support Agreement with the Consenting Subrogation Claimholders, (II) Approving*  
6 *the Terms of Settlement with Such Consenting Subrogation Claimholders, Including the Allowed*  
7 *Subrogation Claim Amount, and (III) Granting Related Relief* (Docket No. 3992) (the "Motion")  
8 based on the following:

9 1. The issue Cal OES and CalVet have with the Motion is that the definition of  
10 "Subrogation Claims" as set forth in the Settlement Term Sheet<sup>1</sup> is vague in that it could include  
11 certain claims of Cal OES and CalVet.

12 2. Cal OES is responsible for the coordination of overall state agency response to  
13 disasters, including wildfires, and assisting local governments with recovery. As part of its  
14 mandate, Cal OES pays money to victims of wildfires and has reimbursement claims against the  
15 Debtors that could be construed as included in the "contractual, equitable or statutory" rights or  
16 "otherwise in connection with payments" language used to define Subrogation Claims.

17 3. CalVet will assert claims for amounts already paid to veterans for their property  
18 losses for the Camp, Butte and Nuns wildfires, which also could be construed as included in the  
19 broad definition of Subrogation Claims.

20 4. Counsel for Cal OES and CalVet has contacted counsel for the Debtors regarding  
21 this issue. Debtors' counsel confirmed that the claims of Cal OES or CalVet are not included in  
22 the definition of Subrogation Claims and are not part of the Subrogation Claims Settlement.  
23 Debtors' Counsel indicated that they will put in the revised proposed order a statement that the  
24 defined term Subrogation Claims does not include the claims of any Governmental Unit as  
25 defined in Bankruptcy Code section 101(27). Counsel for Cal OES and CalVet has not yet seen  
26 the specific proposed language.

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28 <sup>1</sup> Capitalized terms not otherwise defined shall have the same meaning as the Motion.

1           5.       Pending inclusion of acceptable language in a revised proposed order confirming  
2 that the claims of Cal OES or CalVet are not included in the definition of Subrogation Claims and  
3 are not part of the Subrogation Claims Settlement, Cal OES and CalVet submit this limited  
4 objection to preserve their objection to being so included.

5           6.       Neither this statement nor any subsequent appearance, pleading, proof of claim,  
6 claim or suit is intended or shall be deemed or construed as:

7               a.       consent by Cal OES or CalVet to the jurisdiction of this Court or any other  
8 court with respect to proceedings, if any, commenced in any case against or otherwise involving  
9 Cal OES or CalVet;

10              b.       waiver of any right of Cal OES or CalVet to (i) have an Article III judge  
11 adjudicate in the first instance any case, proceeding, matter or controversy as to which a  
12 Bankruptcy Judge may not enter a final order or judgment consistent with Article III of the  
13 United States Constitution, (ii) have final orders in non-core matters entered only after *de novo*  
14 review by a District Court Judge, (iii) trial by jury in any proceeding so triable in the Chapter 11  
15 Cases or in any case, controversy, or proceeding related to the Chapter 11 Cases, (iv) have the  
16 United States District Court withdraw the reference in any matter subject to mandatory or  
17 discretionary withdrawal, (v) any and all rights, claims, actions, defenses, setoffs, recoupments or  
18 remedies to which Cal OES or CalVet are or may be entitled under agreements, in law or in  
19 equity, all of which rights, claims, actions, defenses, setoffs and recoupments are expressly  
20 reserved hereby, (vi) the requirements for service of process under Federal Rules of Bankruptcy  
21 Procedure 7004 and 9014, or (vii) the requirements for service of an objection to claim under  
22 Federal Rule of Bankruptcy Procedure 3007, all of which rights, claims, actions, defenses, setoffs,  
23 and recoupments Cal OES and CalVet expressly reserve; or

24              c.       waiver of any objections or defenses that the State of California, Cal OES,  
25 CalVet or any other agency, unit or entity of the State of California may have to this Court's  
26 jurisdiction over the State of California, Cal OES, CalVet or such other agency, unit or entity

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1 based upon the Eleventh Amendment to the United States Constitution or related principles of  
2 sovereign immunity or otherwise, all of which objections and defenses are hereby reserved.

3 Dated: October 16, 2019

Respectfully submitted,

4 XAVIER BECERRA  
Attorney General of California  
5 MARGARITA PADILLA  
Supervising Deputy Attorney General  
6 MATTHEW C. HEYN  
Deputy Attorney General  
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9 By: /s/ Paul J. Pascuzzi

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12 Emergency Services and California Department of  
Veterans Affairs  
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I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is 500 Capitol Mall, Suite 2250, Sacramento, CA 95814. On October 16, 2019, I served the within documents:

By Electronic Service only via CM/ECF.

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